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3 May 55

To: Chief D/S, attm.

From: S/CST (JLP)

Subject: Draft CSM from D/A, Hungarian Attempt to  
Conceal Military Buildup.

From the point of view of S/CST I cannot see the reasoning in the D/A opinion. The S/CST produced data on ~~the~~ the production of cement in Hungary was based on Hungarian govt. announcements and indicated slightly over a 5% increase. The data on brick, although estimated for 53 and 54 by S/CST, was based on planned production for 54 and a trend projection made from announced 1950-52 production.

It is possible, of course, that deliberate announcements

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were made belittling production, but I do not feel that this is true in the case of construction materials. The 1954 plan for production of cement was far short of announced goals (approximately a million short) and also greatly deficient in brick production.